

FAQs - HOUSE BILL 81

1. Who can I call if I have questions about HB 81?

Pensioners with questions about health care changes should contact the Office of Pensions at 302-739-4802 or 1-800-722-7300.

Active employee with questions about pension service changes should contact the Office of Pensions at 302-739-4802 or 1-800-722-7300.

Active employees with questions about health care changes should contact the Statewide Benefits Office at 302-739-8331 or 1-800-489-8933.

Health FAQs

2. I am a current state employee. Will HB 81 affect how much I pay for my health care coverage?

Yes, HB 81 changes the State share for each health insurance plan and will apply to all current employees, as well as new employees and retirees as of July 1, 2012. A rate chart can be found at www.ben.omb.delaware.gov/oe.

3. What will the State pay for health insurance for state employees after July 1, 2012?

Under current law, the State pays the full price for the First State Basic plan, and the employee pays the difference between the cost of the First State Basic plan and the plan they select.

Pursuant to HB 81, effective July 1, 2012, there will be a fixed cost share established for each of the plans offered by the State, including the First State Basic Plan. As a result, effective July 1, 2012, the State will now pay 96% of the total cost of the First State Basic plan, 95% of the total cost for a new Consumer-Directed Health plan, 93.5% of the total cost of the HMO plans, and 86.75% of the total cost of the PPO plan. A rate chart can be found at www.ben.omb.delaware.gov/oe.

4. I am a retiree and currently receive a State of Delaware pension but am not yet eligible for Medicare. Does HB 81 affect how much I will pay for my health insurance?

Under current law, State of Delaware pensioners not yet eligible for Medicare pay the difference between the cost of the First State Basic plan and the plan the pensioner elects. Effective July 1, 2012, the same cost shares referenced in number 3 would apply to pensioners not eligible for Medicare. A rate chart can be found at www.ben.omb.delaware.gov/oe.

Once the pensioner who retired on or before July 1, 2012 becomes Medicare eligible and is enrolled in a Medicare Supplement Plan, the pensioner is eligible for up to 100% State share based on their date of hire and years of service.

5. I am a retiree and currently receive a State of Delaware pension and am also currently receiving Medicare. Does HB 81 affect how much I will pay for my health insurance?

No. HB 81 only affects employees who retire after July 1, 2012. As a result, if an employee's last day of employment is June 30, 2012 or earlier and therefore retires on or before July 1, 2012; the retiree is eligible for 100% State share based on their date of hire and years of service. As a retiree already Medicare eligible and on a Medicare Supplement Plan, the State will continue to pay 100% of the cost of the Medicare supplement plan.

Go to http://www.delawarepensions.com/includes/Pensioner_Health_Care_Scenarios.pdf to review *Health Care Coverage Changes for Pensioners Effective July 1, 2012 as per House Bill 81* which reviews different scenarios and associated health care costs for pensioner.

6. Will HB 81 affect the number of years of service it takes to be eligible for retiree health care and the State share of retiree health?

Employees who were hired prior to January 1, 2007 will be eligible for the State share as it currently exists.

For employees hired after January 1, 2007, HB 81 would slightly increase the number of service years it takes to vest for specific percentages of the State share, but just like under current law, employees with less than 5 years of service as of January 1, 2012 can vest for 100% of the State share of retiree health at 20 years of service.

7. Is Double State Share being eliminated for new employees as of January 1, 2012?

Yes. Double State Share is eliminated for new employees hired after January 1, 2012, as well as employees/pensioners if they become benefit eligible or marry another benefit eligible state employee/pensioner after January 1, 2012.

8. Will Double State Share change for those who are currently enrolled?

Yes. Effective July 1, 2012, employees/pensioners who are Double State Share eligible will have to pay a \$25 charge per month for the health plan they select. If the employees enroll in Employee and Spouse or Family plans, a single \$25 per month charge would apply. If the employees enroll in separate plans, (for example - two Employee Only plans or one Employee Only plan and one Employee and Children plan,) a \$25 per month charge would apply to each plan. If enrolled in the First State Basic Employee Only plan, the Employee Only premium would be charged as the premium is less than \$25.

Pension FAQs

9. I am a current state employee. Do the pension changes in HB 81 affect me?

No. The changes to the State's pension plan in HB 81 only affects new state employees hired on or after January 1, 2012.

10. I am a current retiree. Do the pension changes in HB 81 affect me?

No. The changes to the State's pension plan in HB 81 only affects new state employees hired on or after January 1, 2012.

11. If I have a break in service with the State and come back to work on or after January 1, 2012, am I considered a new employee for pension eligibility rules?

If you worked for the State of Delaware in a position that participated in the State Employees' Pension Plan prior to January 1, 2012, you will not be considered a new employee.

12. I am a current state employee. Will the overtime I earned be included in the calculation of my pension?

Yes. Overtime will be included in pension creditable compensation if you were hired by the State before January 1, 2012.

13. Will employees hired after January 1, 2012 have overtime included in their pension calculation?

No. Pursuant to HB 81, employees hired on or after January 1, 2012 will not have overtime included in their pension calculation. Employees hired on or after January 1, 2012 will not have to make contributions to the pension fund on their overtime wages.

14. I am a teacher. Will my Extra Pay for Extra Responsibility (EPER) still be included in my pension creditable compensation?

The use of EPER payments in calculating your pension would not change under HB 81.

15. I am a current State employee considering retirement on or around June 30, 2012. Under HB 81, does my actual date of retirement impact how much I will pay for my health insurance as a Pensioner?

Effective July 1, 2012, the same cost shares referenced in #3 would apply to pensioners not eligible for Medicare regardless of their date of retirement. A rate chart can be found at www.ben.omb.delaware.gov/oe.

For employees who remain actively employed on July 1, 2012 and therefore retire after July 1, 2012 and are or become Medicare eligible, HB 81 would reduce the State share of the employee's Medicare supplement coverage by 5%. For example, if an employee retires on August 1, 2012 and is eligible for the full State share based on their date of hire and years of service, the State would pay 95% of the cost of the Medicare Supplement plan, and the employee would pay 5% of the cost. Based on FY 2011 rates, that equates to approximately \$20 per month.

If an employee's last day of employment is June 30, 2012 or earlier, and therefore, retires on or before July 1, 2012; the retiree is eligible for 100% State share based on their date of hire and years of service. As a retiree already Medicare eligible and on a Medicare Supplement Plan, the State will continue to pay 100% of the cost of the Medicare supplement plan.